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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91188736
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

**IN THE MATTER OF TRADEMARK  
APPLICATION SERIAL NO. 77/150,306**

ANASTASIA BEVERLY HILLS, INC.	)	
ANASTASIA SOARE	)	
ANASTASIA SKIN CARE, INC.	)	
	)	
Opposers	)	Opposition No. 91188736
	)	
v.	)	
	)	
ANASTASIA MARIE LABORATORIES, INC.	)	
	)	
Applicant	)	
	)	

**APPLICANT'S MOTION FOR SANCTIONS**

Pursuant to Federal Rule of Civil Procedure 37(b)(2), 37 C.F.R. § 2.120(g) and TBMP §§527.01 and 527.03, **ANASTASIA MARIE LABORATORIES, INC.** (hereinafter "AML"), an Oklahoma corporation with principal offices located at 6520 North Western Avenue, Suite 103, Oklahoma City, Oklahoma, through its counsel of record, hereby moves the Board for the sanction of dismissal with prejudice of the Opposition filed by Opposers **ANASTASIA BEVERLY HILLS, INC., ANASTASIA SOARE, and ANASTASIA SKIN CARE, INC.** (hereinafter collectively "ABH") in the above proceeding.

It is submitted that this sanction is warranted because ABH has failed to comply with the Board's order of January 3, 2012, despite AML's repeated requests that ABH provide the documents ordered by the Trademark Trial Appeal Board. Dismissal with prejudice of the Opposition is also warranted under the Board's inherent authority because even after AML filed a motion for summary judgment on the grounds of fraud, ABH has continued to make false

claims of use of marks, including a further false declaration by ABH's principal in connection with this proceeding, false representations by counsel, and false declarations of use in connection with registrations. ABH has also continued to withhold information and documents in an effort to prevent AML from showing that ABH's revised claims of use themselves were false and fraudulent.

## **I. BACKGROUND FACTS**

The Notice of Opposition in this case was filed on January 24, 2009. ABH opposed registration of "ANASTASIA" for "body cream; body lotion; hand cream; hand lotions" (Ser. No. 77/150,306), relying on registrations of "ANASTASIA BEVERLY HILLS" and "A ANASTASIA BEVERLY HILLS" for "beauty salon services, namely, hair removal, dressing and styling" and on registrations of the same marks for various products in classes 3, 4, 8, 21, for which it claimed use since as early as (hereinafter the "ABH marks"). AML has been using "A ANASTASIA" stylized plus design as the dominant part of its mark "A ANASTASIA MARIE" for skin care products since 1989.

On March 17, 2009, AML filed an Answer denying likelihood of confusion and counterclaimed for cancellation of U.S. Registration Nos. 2,798,069 ("A ANASTASIA BEVERLY HILLS" plus design) and 2,821,892 ("ANASTASIA BEVERLY HILLS") in classes 3, 4, 8 and 21 on the grounds of fraud in connection with the claims of use made in the registrations. On January 14, 2010, Opposers filed a motion to dismiss the counterclaims for cancellation on the grounds of fraud.

### **Initial False Answers to Interrogatories**

Prior to filing its motion to dismiss counterclaims, Opposers responded on November 13, 2009, to AML's interrogatories concerning all interruptions of continuous use of any product in

connection with which the ABH marks had been used. ABH stated that “bronzing products” sold under the mark had been discontinued in 2009, “lipsticks” were discontinued for a year in 2007, “facial serums”, “eye gels”, and “eye-area gels” were discontinued from 2001 to about November, 2006, “creams and lotions”, “body creams”, “body lotions”, “body moisturizers” and “hand creams” were “interrupted” in 2005. (Copies of responses to Interrogatory Nos. 6, 7, 10 and 11 are attached hereto as Exhibit A. As is evident from the responses and all other documents in this proceeding, ABH views use of the “A ANASTASIA BEVERLY HILLS” stylized plus design mark as showing use of “ANASTASIA BEVERLY HILLS” in standard characters). As will be seen, following the filing of a motion to compel on April 26, 2011, Opposers very substantially revised their responses but now claimed that their responses were “Trade Secret/Commercially Sensitive”. The falseness and glaring incompleteness of these initial answers will become evident from the following discussion.

#### **ABH False Amendments of False Registrations**

On January 14, 2010 (the same date on which Opposers filed their motion to dismiss), Opposers Anastasia Beverly Hills, Inc., et al., moved to amend the ‘069 and ‘892 registrations to delete class 4 and the following goods in class 3:

Potpourri; bronzing liquid; nail polish, nail base coat, and nail top coat; facial cleansers facial cleansing bars, facial toners, facial astringents; facial masques; facial exfoliators, body cream, body lotion, body powder, body moisturizers, body lotions, body toners, body astringents, and hand creams; body cleansing products, namely, creams, gels, and bar soaps; fragrance products, namely, perfume, eau de parfum, eau de toilette, eau de cologne, and fragranced creams, lotions, gels, bar body toners, and astringents ; room fragrances

The products in class 3 left in the registrations after the amendments were the following:

Cosmetics, namely, foundation, concealer, pressed powder, loose powder, eye shadow base, blush, eye shadows, mascara, eyeliners, lip coverings, lipstick, lip gloss, lip liners,

eyebrow color pencils, eyebrow pencils, eyebrow powder, eyebrow pomade, eyebrow gel; skin care products, namely, facial moisturizers, eye creams, eye gels, eye-area moisturizers, eye-area gels, eye-area creams, facial serums, body cream, body moisturizers, body lotions, and hand creams; fragrance products, namely fragranced creams and lotions

Also remaining in the registrations were “eyebrow tweezers and eyebrow grooming scissors” in class 8 and “cosmetic brushes” in class 12.

As will be seen, both the amendments and the declaration of Anastasia Soare in support of the amendments and motion to dismiss the counterclaims based on fraud were themselves largely false. The declaration of Anastasia Soare is attached hereto as Exhibit B.

**Anastasia Soare’s False Declaration In Support of Amendments and Motion to Dismiss**

In the declaration of ABH’s principal, Anastasia Soare, submitted in support of the motion to dismiss and motion to amend the registrations, Ms. Soare admitted that, in fact, there had been no use at all of the mark for a substantial number of the goods in the ‘892 registration. She stated that the following products in the registration had not been sold under the mark and would be deleted from the registration: “nail polish, nail base coat, and nail top coat; facial toners, facial astringents, facial masques, body toners, body astringents; body cleansing gels; fragranced gels, bar body toners, and astringents”. (Soare Declaration, ¶ 40).

Ms. Soare further stated that although she did not have any reason to believe the following particular products were not validly covered by the original registrations, since they were not being “currently promoted” and there were no plans to do so in the future, she had instructed counsel not to include them in “any extension or renewal” of the registrations: “potpourri; facial cleansing bars, facial cleansers, facial exfoliators, body powder; body cleansing products, namely creams, and bar soaps; perfume, eau de parfum, eau de toilette, eau de cologne; room fragrances; and candles”. (Soare Declaration, ¶ 41).

Ms. Soare's declaration was thus glaringly inconsistent with the answers to interrogatories provided less than two months earlier, which mentioned only nine products for which use had either been interrupted or discontinued, whereas now thirty-two products were being deleted from the registrations.

Ms. Soare also sought to explain why in June of 2001, she had signed an initial declaration claiming use on all goods in the application which eventually issued as the '892 registration. She stated that she did not realize that her declaration of use "would be interpreted to mean that ABH was claiming that it was then using the mark in any particular way on any specific product other than would be apparent from the specific product specimens which I had provided to counsel: eyebrow highlighting pencils, eye liners, cosmetic wax, candles, cosmetics brushes, and tweezers". (Soare Declaration ¶ 20). After an Office Action issued in the application requiring specimens for two classes, another declaration of use claiming use on all products was filed on September 9, 2002. After yet another Office Action issued requiring that the Amendment to Allege Use specifically list the goods with which the mark was used, on April 14, 2003, an amendment was filed in which all of the goods were listed and use of the mark was specifically claimed for all of the listed goods. (Thus, over the course of nearly two years of correspondence with the Trademark Office concerning claims of use and requirements for new specimens, Ms. Soare claims to have never gained an understanding from her attorney that she was claiming use of the mark for goods for which the mark had never been used.)

In her January 2010 declaration, Ms. Soare also sought to explain the Allegation of Use which was filed in August of 2003 in connection with the application which later issued as the '069 registration. All of the goods in the application were specifically listed in the Statement of Use, and in her declaration, Anastasia Soare claimed use for all of them. Although she had

specifically claimed use of the mark for each of the goods listed in the application, in her declaration of January 14, 2010, in connection with the ABH motion to dismiss Anastasia Soare neglected to state that all of goods had been specifically listed in her declaration and misleadingly stated instead that the Amendment to Allege Use stated that, “among other things”, the owner had “used the mark in commerce on or in connection with the goods specified in the Notice of Allowance” (Soare Declaration, p. 7 ¶ 29) and further misleadingly stated that prior to signing the Amendment to Allege Use she “did not review the Notice of Allowance and I did not realize that the Notice of Allowance covered goods other than what would be apparent from the product specimens which we had previously provided counsel” (Soare Declaration p.7 ¶ 30). In fact, whether or not Ms. Soare reviewed the Notice of Allowance was irrelevant since all of the products were in front of her on the Allegation of Use.

In her declaration Ms. Soare stated that the only goods in class 3 in connection with which the marks had not been used at all were the following:

Nail polish, nail base coat, and nail top coat; facial toners, facial astringents, facial masques, body toners, body astringents; body cleansing gels; fragranced gels, bar body toners and astringents

Therefore, according to Anastasia Soare’s declaration all of the remaining goods in the identification had been sold under the mark at some time, i.e.

potpourri; cosmetics, namely, foundation, concealer, pressed powder, loose powder, eye shadow base, blush, bronzing products, eye shadows, mascara, eyeliners, lip coverings, lipstick, lip gloss, lip liners, eyebrow color products, eyebrow pencils, eyebrow powder, eyebrow pomade, eyebrow gel, skin care products, namely, facial cleansers, facial cleansing bars, facial toners, facial moisturizers, eye creams, eye gels, eye-area moisturizers, eye-area gels, eye area creams, facial serums, facial exfoliators, body cream, body lotion, body powder, body moisturizers, body lotions, and hand creams; body cleansing products, namely, creams and bar soaps; fragrance products, namely, perfume, eau de parfum, eau de toilette, eau de cologne, and fragranced creams, lotions; room fragrances

The claims that the marks were used at some time for these products were largely false.

## **ABH False Declarations of Use in Registrations**

The registrations were significantly revised yet again when ABH filed its declarations of use under Section 8 on June 23, 2010, in the '069 registration and on September 16, 2010, in the '892 registration.

In the '069 registration, the identification of goods in class 3 was now revised to also delete "body cream, body moisturizers, body lotions, and hand creams; fragrance products, namely fragranced creams and lotions". Also, ABH now claimed "excusable non-use" as to "foundation", "lipstick", and "lip gloss", stating the following:

Anastasia Beverly Hills branded foundation, lipstick, and lip gloss were being offered for sale in the Anastasia Beverly Hills salon as recently as 12 months ago (i.e. subsequent to June 2009) and are being reformulated, repackaged and/or market tested for nationwide sale within the next 12 months (i.e. prior to June 2011).

The declaration of use filed in connection with the '892 Registration less than three months later was *dramatically* inconsistent even with the declaration of use in the '069 Registration.

While the same deletions were made, ABH now made far broader claims of "excusable non-use":

A limited quantity of Anastasia Beverly Hills branded foundation is currently available for purchase in the Anastasia Beverly Hills salons, and is in the process of being reformulated and repackaged for planned nationwide sales in 2012-13; moreover, Anastasia Beverly Hills branded concealer as currently formulated and sold nationwide can also be used on selected areas of the face as a foundation. A limited quantity of Anastasia Beverly Hills branded pressed powder for use on the face is currently available for purchase in the Anastasia Beverly Hills salons, and is in the process of being reformulated and repackaged for planned nationwide sale in 2012; moreover, Anastasia Beverly Hills branded brow powder as currently formulated and sold nationwide is another type of pressed powder. A limited quantity of Anastasia Beverly Hills branded lipstick is currently available for purchase in the Anastasia Beverly Hills salons; a tinted lip balm in stick form which can also be used as lipstick is in the process of being formulated, packaged and market tested for planned nationwide sale in 2012. A limited quantity of Anastasia Beverly Hills branded eyeliner is



currently available for purchase in the Anastasia Beverly Hills salons, and is in the process of being reformulated and repackaged for planned nationwide sale in 2011; moreover the Anastasia Beverly Hills branded 'Brow Fix' wax pencil as currently formulated and sold nationwide is currently being promoted on Registrant's website as an 'invisible' lip liner for use in combination with lip stains. A limited quantity of Anastasia Beverly Hills branded lid liner is currently available for purchase in the Anastasia Beverly Hills salons; moreover the Anastasia Beverly Hills branded 'brow fix' wax pencil as currently formulated and sold nationwide is currently being promoted on Registrant's website for use in combination with shadow to line eyes.

This declaration was filed on the last possible date before the expiration of the "grace period". It is not clear how such claims of "excusable non-use" were accepted, and it cannot be known whether it had been years since any of the products had been sold and products had simply been removed from old inventory and placed on shelves in ABH salons so that it could be stated that they were currently "available for sale". This declaration set the standard for ABH's later efforts at revising its claims, particularly after the filing of the motion to compel, when it began to claim use based on whether products were now "available for sale" in ABH's own salons and based on whether there was some equivalency between the products remaining in the registration so that, for example, a single product different from any product listed could substitute for as many as five of the listed products.

### **Motion to Compel**

Following substitution of new counsel and extensive efforts to reach settlement, which ended unsuccessfully in late February, 2011, since it was impossible for AML's counsel to determine from the documents and information provided any factual basis for the constantly shifting claims of use being made by ABH, AML began to follow up on outstanding discovery, culminating in the filing of a motion to compel in April, 2011. The motion to compel resulted, *inter alia*, in far more detailed responses to the two interrogatories relating to interruptions in use

of the marks, the production of alleged “sales by item” documents for the years 2000-2004, and the production of documents allegedly showing shipments of products from 2005-2010.

With respect to the document production, the primary issue with the 2000-2004 “sales by item” documents that were produced was that there was no distinction between products of others which were sold by ABH in its salon or elsewhere and products that had been sold under ABH marks. Earlier investigations conducted by AML at various times had in fact indicated that there were no products being sold under ABH marks in the salons. ABH represented to counsel that it simply did not have records from 2000-2004, which would show sales by item of products sold under ABH marks. (ABH Brief in Response to Motion to Compel, pp. 7-8). AML had to accept that ABH had no clear basis for making claims of use of the marks from 2000-2004.

With respect to the spreadsheets produced for 2005-2010, Opposers chose to produce documents which allegedly showed “shipments” rather than sales, even though ABH represented that it had detailed computerized sales records showing sales by item (ABH Brief in Response to Motion to Compel, pp. 9-10). In addition, here also, even though the spreadsheets allegedly included “ABH-branded products”, they also included other products, and no clear distinction is made in the documents between those that are sold under the ABH marks and those which are not sold under the marks.

Thus, it remains unknown how ABH is able to make its shifting claims with respect to use of the ABH marks from 2000-2004 or 2005-2010.

With respect to the amended responses to two interrogatories, although, as stated, they were finally amended to identify numerous additional products in connection with which use of the marks had been discontinued, as is readily apparent from review of the documents

themselves, they are evasive and incomplete. Applicant discusses an earlier provided “Confidential Statement” (filed under seal as Exhibit C) created and provided by ABH’s counsel and these responses (filed under seal as Exhibit D) in the following section, which has to be “Trade Secret/Commercially Sensitive” because ABH has decided that these statements as to use are “Trade Secret/ Commercially Sensitive”.

**TRADE SECRET/ COMMERCIALLY SENSITIVE – ABH’S “CONFIDENTIAL STATEMENT” AND AMENDED ANSWERS TO INTERROGATORY NOS. 10 AND 11 - FILED UNDER SEAL**

**The Effect of the “Confidential Statement” and “Amended Answers” on the Declaration of Anastasia Soare and Declarations of Use Filed in the ‘069 and ‘892 Registrations**

It becomes clear from the discussion of the “confidential statement” and the amended answers that Anastasia Soare’s claims that the mark had been used at all for all of the following products were grossly false:

potpourri; cosmetics, namely, foundation, concealer, pressed powder, loose powder, eye shadow base, blush, bronzing products, eye shadows, mascara, eyeliners, lip coverings, lipstick, lip gloss, lip liners, eyebrow color products, eyebrow pencils, eyebrow powder, eyebrow pomade, eyebrow gel, skin care products, namely, facial cleansers, facial cleansing bars, facial toners, facial moisturizers, eye creams, eye gels, eye-area moisturizers, eye-area gels, eye area creams, facial serums, facial exfoliators, body cream, body lotion, body powder, body moisturizers, body lotions, and hand creams; body cleansing products, namely, creams and bar soaps; fragrance products, namely, perfume, eau de parfum, eau de toilette, eau de cologne, and fragranced creams, lotions; room fragrances

First, the “confidential statement” and amended answers indicate that the mark was never used on *at least* the following products:

potpourri; cosmetics, namely, eye shadow base, eyebrow color products, eyebrow pomade, skin care products, namely, facial toners, facial moisturizers, eye creams, eye gels, eye-area moisturizers, facial serums, facial exfoliators, body powder, body moisturizers, hand creams; body cleansing products, namely, creams; fragrance products, namely, perfume, eau de parfum, eau de toilette, eau de cologne, and fragranced creams and lotions

Further, based on the discussions of the “Confidential Statement” and the amended answers, it becomes clear that ABH’s amendments and declarations of use of the marks in 2010 for all the following products were largely false:

Cosmetics, namely, foundation, concealer, pressed powder, loose powder, eye shadow base, blush, eye shadows, mascara, eyeliners, lip coverings, lipstick, lip gloss, lip liners, eyebrow color pencils, eyebrow pencils, eyebrow powder, eyebrow pomade; skin care products, namely, facial moisturizers, eye creams, eye gels, eye-area moisturizers, eye-area gels, eye-area creams, facial serums, body cream, body moisturizers, body lotions, and hand creams; fragrance products, namely fragranced creams and lotions

In fact, it would appear from the “Confidential Statement” and “mended answers” that of the foregoing products, the only products with which the mark may have been in use in 2010 were the following:

Cosmetics, namely, foundation, concealer, pressed powder, loose powder, blush, eye shadows, eyeliners, lip liners, eyebrow pencils, eyebrow powder, eye-area creams

However, these conclusions are based on ABH’s shifting and continually unreliable claims of use. ABH’s evasiveness and efforts at misdirection are very evident in its amended answers. It is simply not possible to know when or if a product has been sold under a mark from incomplete and evasive statements that are limited to discussion of selected time periods, that are based on speculation of what “examination” of documents “would show”, and that commonly refer to whether a product is now “available for sale” or “has been in inventory” or whether there have been “shipments” rather than whether it has actually been sold and, if so, when. As discussed above, AML has not been provided with documents with which it can evaluate ABH’s claims. However, AML now has sufficient information to understand that ABH continued to make false declarations concerning its marks and registrations even after deleting most of the products.

### **The Board's Order and ABH's Refusal to Comply with the Order**

On January 3, 2012, the Trademark Trial and Appeal Board ordered, *inter alia*, that Opposers produce within 30 days records which would show the annual sales by item in round numbers of the products sold under the ABH marks (Board Order, p. 7).

As evidenced by the Taylor declaration attached hereto as Exhibit E on February 8, 2012, counsel AML sent an e-mail to counsel for ABH stating ...“in connection with the Board's order to produce ‘records to show annual sales by item [for ABH-branded products], in round numbers, for the years 2005-2010’, we have received the same type of documents which were produced before and which were described by ABH's counsel as documents which show shipments from the warehouse of ABH-branded products. Doesn't ABH have documents which show the annual sales by item of ABH-branded products for the years 2005-2010? ABH's counsel stated that from 2005 to the present ABH has kept detailed computerized records of its sales using Fishbowl software”.

Receiving no response, AML's counsel followed up with e-mails on February 13 and February 15 and received a response on February 16 in which ABH's counsel stated that he “expected to have an answer for you before the end of this week”. AML's counsel sent a reminder on February 28 that AML was still waiting for a response. In an e-mail on February 29, counsel for ABH suggested a phone conference to discuss what additional documents could be provided, and on March 1, counsel for AML sent an e-mail to counsel requesting a written response, stating that “[a]s you know, we received only a few new documents following the Board's order, and nothing new either to show sales of ABH-branded products from 2001-2004 or 2005-2010”, stating:

I would appreciate it if you would clarify in writing exactly what is shown by the documents produced for 2001-2004 and what is shown by the documents that have been produced for 2005-2010. Our understanding is that most of the products which were sold over the years in the Anastasia Beverly Hills salons and in the Anastasia operations at Nordstroms and Sephora were products sold under other brands. We have no documents which show sales only of products branded with the 'ANASTASIA BEVERLY HILLS' mark ('ABH-branded products') or from which we can interpret the actual extent of sales of such products. We do not know how Anastasia Beverly Hills has been able to make any representations with respect to sales of ABH-branded products if those representations are based on the documents which we have seen, though we know that Anastasia Beverly Hills originally interpreted sales of products under the mark as including all sales of products in the 'ANASTASIA BEVERLY HILLS' salons.

AML's counsel has received no response to this last e-mail.

## II. ARGUMENT

### **The Opposition Should Be Dismissed for Opposers' Failure to Comply with the Board's Order of January 3, 2012**

Rule 37 C.F.R. § 2.120(g) provides that if a party fails to comply with an order of the Trademark Trial and Appeal Board relating to disclosure or discovery, the Board may make an appropriate order, including those provided in Rule 37(b)(2). If a party fails to obey a Board order compelling responses to discovery requests, the Board may enter judgment by default against a party. *See Caterpillar Tractor Co. v. Catfish Anglers Together*, 194 USPQ 99, 100 (T.T.A.B. 1977).

As evidenced by Exhibit E, ABH has ignored AML's repeated requests that ABH produce the records from 2005-2010 of annual sales by item of the products bearing the ABH marks as ordered by the Board. Even though ABH represented to the Board that it had such documents (ABH Brief in Response to Motion to Compel, pp. 9-10), ABH has neither produced the documents ordered nor responded to AML's request for an explanation. While AML must accept ABH's representations that it simply does not have records from 2000-2004 which would show sales by item under ABH marks (ABH Brief in Response to Motion to Compel, pp. 7-8),

ABH has not explained why it has not complied with the Board's Order to produce the 2005-2010 records showing sales by item under the ABH marks for 2005-2010 within thirty days i.e. by **February 2, 2012**. As is evident from the background facts, ABH has misrepresented facts and "repeatedly acted in a manner to evade discovery properly attempted by [AML]" such that dismissal of this Opposition with prejudice is appropriate *Unicut Corporation v. Unicut, Inc.*, 222 USPQ 341, 3444 (T.T.A.B. 1984). ABH has continually engaged in egregious behavior, willful misconduct, bad faith, and fraud in both its prosecution and maintenance of the '069 and '892 registrations as well as in this Opposition proceeding. ABH's behavior falls within the reach of the Board's inherent power to sanction. *Carrini Inc. v. Carla Carini S.R.L.*, 57 USPQ2d 1067, 1071-1072 (T.T.A.B. 2000).

AML submits that under the circumstances of this case, dismissal of the opposition with prejudice is appropriate under Rule 37(b)(2)(A)(v) of the Federal Rules of Civil Procedure. As is evident from the background facts, ABH has engaged in a continuing pattern of false declarations, evasion, resistance to discovery, and fraud. The comparison of ABH's initial answers to Interrogatory Nos. 10 and 11 relating to use of its marks with respect to the extensive list of products in the existing registrations even with its voluntary amendments and declarations of use, much less with AML's final identification of what subsequent documents show as to use, alone shows the depth and degree of ABH's deception.

Less than two months after making its false and misleading responses to AML's interrogatories, ABH moved to dismiss the claims of fraud made by AML and to amend the registrations, supporting the amendments and registrations with a declaration by its principal, Anastasia Soare. The amendments and declaration, as discussed above, showed that the extent of non-use was far greater than had previously been admitted. Ms. Soare claimed that she had not

understood the claims of use which she had made in the applications which issued as the '069 and '892 registrations even though in both applications she executed documents claiming use as to specifically listed products and even though in one of the applications, in which a defective allegation of use had been filed, she conferred with an attorney who filed additional claims of use and specimens of use over the course of two years.

Ms. Soare's declaration and the amendments made were then shown to have been false themselves by the declarations of use which were filed in connection with the registrations in June of 2010 in the '069 registration and September of 2010 in the '892 registration. In addition to deleting goods which had been included in the amended identifications and for which use was claimed in Ms. Soare's declaration, the first declaration of use in the '069 registration now also made additional claims of "excusable non-use" as to some products. Then, the later filed declaration of use in the '892 dramatically expanded on the claims of "excusable non-use" to include additional products.

In the same year, 2010, counsel for ABH provided AML with a "confidential statement" which, on its face, showed that the claims of use and "excusable non-use" for many products in the declarations of use were false, showing, for example, that claims of use for many of the products in the declarations were based on the fiction that use of the mark for one separately identified product or even a type of product not identified at all in the registrations could cover two, three, four or even as many as five separately identified products in the registrations.

Having no documents or information which could show the basis for ABH's shifting claims of use, AML finally filed a motion to compel. The motion to compel did not result in documents from which AML could gain any understanding of the nature and extent of sales of products under the ABH marks, but it did result in amended answers to Interrogatory Nos. 10



and 11, and though these amended answers were transparently evasive and incomplete, they showed that ABH did not have any actual basis for making any claims of continuous use of its mark for even a *single* product and that the claims of continuous use over the course of eleven years for many products in the “confidential statement” were based on wishful thinking at best. The amended answers also showed otherwise that counsel’s “confidential statement” for AML, as well as the prior declarations of use, amendments to the registrations, and Anastasia Soare’s declaration in support of the amendments were largely fictional. Yet, as stated, the amended answers are themselves evasive and incomplete in the extreme, and though AML was unable to obtain an order to have these responses completed, it was able to obtain an order for production of documents showing annual sales for 2005-2010 by item of the ABH marked products. However, ABH will not produce these records.

ABH’s pattern of conduct, beginning with its applications filed in 1999, continuing with its Notice of Opposition filed in January of 2009, and then continuing throughout this litigation to date, has been to mislead the Trademark Office, the public, AML and the Trademark Trial and Appeal Board as to the extent of its trademark rights, resist all efforts at obtaining clarity as to its claims, and then to revise claims only to the minimum extent it deems necessary even as it continues to maintain fictions as to its alleged rights in its marks.

ABH’s conduct throughout the prosecution and maintenance of the ‘069 and ‘892 registration, as well as throughout this proceeding, is not only egregious and misleading, but also constitutes fraud. Fraud in obtaining a trademark registration or renewal occurs when an applicant “knowingly makes false, material representation” of fact in connection with its application with an intent to deceive to PTO. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). While it is acknowledged that AML bears a high burden in proving that

ABH engaged in fraud during the procurement and renewal of the '069 and '892 registrations, this burden has been met. ABH has deliberately provided only partial records and answers to Interrogatories and has continued to make statements that are designed to mislead the Trademark Office and the Board. *Swiss Watch International Inc. v. Federation of the Swiss Watch Industry*, 101 USPQ2d 1731, 1746 (T.T.A.B. 2012). A statement that is only partially true and gives only a portion of the whole picture "may be treated as a false statement in its effect and also show the necessary element of intent". *Id.* There can be no doubt that ABH intended to deceive the Trademark Office and the Board. The multiple false and inconsistent declarations signed by Ms. Soare or her counsel, the transparently false after the fact attempts to make different products the same product, the substantially amended Interrogatories, the false fabricated "confidential statement", the lack of production of responsive documents, and the continuing evasiveness of ABH, all constitute clear and convincing evidence of ABH's subjective intent to deceive the Trademark Office.

Under these circumstances, the Opposition should be dismissed not only because of the failure to comply with the Board's order but also under the inherent authority of the Board. TMEP §§ 527.01(a) and 527.03.

Respectfully Submitted,

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mtaube@stites.com

**Certificate of Service**

I hereby certify that true copies of the foregoing APPLICANT'S MOTION FOR SANCTIONS and attached exhibits were sent via U.S. first class mail on March 30, 2012, to Allan Z. Litovsky, Greenberg Traurig, LLP, 3161 Michelson Drive, Suite 1000, Irvine, CA 92612, and via email to Allan Z. Litovsky at litovskya@gtlaw.com.



Mari-Elise Taube

**Trade Secret/ Commercially Sensitive – ABH’s “Confidential Statement” and  
Amended Answers to Interrogatory Nos. 10 and 11 –**

**FILED UNDER SEAL**

# **EXHIBIT A**

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

ANASTASIA BEVERLY HILLS, INC.	)	Opposition No. 91,188,736
ANASTASIA SOARE	)	
ANASTASIA SKIN CARE, INC.	)	
	)	
Opposers	)	<b>OPPOSERS'</b>
	)	<b>OBJECTIONS AND</b>
v.	)	<b>RESPONSES TO</b>
	)	<b>APPLICANT'S FIRST SET</b>
ANASTASIA MARIE LABORATORIES, INC.	)	<b>OF INTERROGATORIES</b>
	)	
Applicant	)	

Pursuant to Rule 33 of the Federal Rules of Civil Procedure, Trademark Rule of Practice 2.120 (37 CFR § 2.120) and Trademark Trial and Appeal Board Manual of Procedure § 405, and pursuant to the agreement reached by counsel on November 2, 2009, Opposers Anastasia Beverly Hills, Inc. ("ABH"), Anastasia Soare ("AS") and Anastasia Skin Care, Inc. ("ASC") (collectively, "OPPOSERS"), hereby present their objections and responses to the First Set of Interrogatories of Applicant Anastasia Marie Laboratories, Inc. ("AML").

**GENERAL STATEMENT AND OBJECTIONS**

The following general statement and objections apply to each of the Interrogatories, and are in addition to any other specific objections that are stated with regard to each such discovery request:

1. OPPOSERS' factual investigation, and its efforts to locate and gather documents relevant to this litigation, is ongoing. OPPOSERS anticipate that, in the course of further investigation, additional facts and/or documents will be discovered which might affect its responses to these Interrogatories. OPPOSERS therefore reserve the right to amend and/or supplement its

**RESPONSE TO INTERROGATORY NO. 6:**

OPPOSERS incorporate each of their General Objections as though fully stated herein. OPPOSERS further object that this Interrogatory, and in particular the terms "product," "in connection with," "used" and "using," is vague and ambiguous.

Without waiving, and subject to their objections, OPPOSERS respond the A ANASTASIA BEVERLY HILLS mark has been or is being used in connection with cosmetics, skin care products, body cleansing products, cosmetic and grooming tools, fragrance products (including fragranced candles) and salon services, including cosmetic services and skin care services.

**INTERROGATORY NO. 7**

Identify every product and service in connection with which you have used or are using the ANASTASIA BEVERLY HILLS mark.

**RESPONSE TO INTERROGATORY NO. 7:**

OPPOSERS incorporate each of their General Objections as though fully stated herein. OPPOSERS further object that this Interrogatory, and in particular the terms "product," "in connection with," "used" and "using," is vague and ambiguous.

Without waiving, and subject to their objections, OPPOSERS respond that the ANASTASIA BEVERLY HILLS mark has been or is being used in connection with cosmetics, skin care products, body cleansing products, cosmetic and grooming tools, fragrance products (including fragranced candles) and salon services, including cosmetic services and skin care services.

**INTERROGATORY NO. 8**

For each product and service requested to be identified in Interrogatory No. 6, identify the price at which each of those products is offered.

**RESPONSE TO INTERROGATORY NO. 8:**

OPPOSERS incorporate each of their General Objections as though fully stated herein. OPPOSERS further object on the ground that it is harassing, unduly burdensome and oppressive in that it seeks information that is neither relevant to the claim or defense of any party in this action, nor reasonably calculated to lead to the discovery of admissible evidence.

Without waiving, and subject to their objections, OPPOSERS respond that the current retail prices for various, popular Anastasia Beverly Hills-branded products are available on the Anastasia Beverly Hills website at the URL <www.anastasia.net>. OPPOSERS further direct AML to production document numbers ABH010135 (a Pro-Forma sales receipt showing current retail pricing for certain A ANASTASIA BEVERLY HILLS branded products at the ANASTASIA BEVERLY HILLS salon) ABH010136- & ABH010137- (a menu of services with prices as performed at the ANASTASIA BEVERLY HILLS salon) and ABH030024TS thru ABH030026TS (a wholesale Order Form "rev 11/10/08" showing retail and wholesale pricing for certain A ANASTASIA BEVERLY HILLS branded products).

**INTERROGATORY NO. 9**

For each product and service requested to be identified in Interrogatory No. 7, identify the price at which each of those products and services is offered.

**RESPONSE TO INTERROGATORY NO. 9:**

OPPOSERS incorporate each of their General Objections as though fully stated herein. OPPOSERS further object on the ground that it is harassing, unduly burdensome and oppressive in that it seeks information that is neither relevant to the claim or defense of any party in this action, nor reasonably calculated to lead to the discovery of admissible evidence.

Without waiving, and subject to their objections, OPPOSERS respond that the current retail prices for various, popular Anastasia Beverly Hills-branded



products are available on the Anastasia Beverly Hills website at the URL <www.anastasia.net>. OPPOSERS further direct AML to production document numbers ABH010135 (a Pro-Forma sales receipt showing current retail pricing for certain ANASTASIA BEVERLY HILLS branded products at the ANASTASIA BEVERLY HILLS salon) ABH010136- & ABH010137- (a menu of services with prices as performed at the ANASTASIA BEVERLY HILLS salon) and ABH030024TS thru ABH030026TS (a wholesale Order Form "rev 11/10/08" showing retail and wholesale pricing for certain ANASTASIA BEVERLY HILLS branded products).

**INTERROGATORY NO. 10**

For each product and service requested to be identified in Interrogatory No. 6, explain the extent to which there has been any interruption to continuous use of the A ANASTASIA BEVERLY HILLS mark to identify the product and services.

**RESPONSE TO INTERROGATORY NO. 10:**

OPPOSERS incorporate each of their General Objections as though fully stated herein. OPPOSERS continue to investigate the subject matter of this Interrogatory and reserve the right to modify, amend or supplement their response as additional information becomes available. Without waiving, and subject to their objections, OPPOSERS respond as follows:

OPPOSERS have discontinued production of A ANASTASIA BEVERLY HILLS-branded foundation, bronzing products and bronzing liquid from in or about October 2009 to the present while the products are being reformulated for reintroduction in 2010.

OPPOSERS discontinued production of A ANASTASIA BEVERLY HILLS-branded lipsticks for approximately one year in or about 2007 while the products were being reformulated.

OPPOSERS discontinued production of A ANASTASIA BEVERLY HILLS-branded facial serum, eye gels and eye-area gels from in or about 2001 to in or about November 2006.

Sales of A ANASTASIA BEVERLY HILLS-branded fragranced creams and lotions, body creams, body lotions, body moisturizers and hand creams were interrupted in 2005.

OPPOSERS have offered manicure services in an A ANASTASIA BEVERLY HILLS-branded salon in the past and are planning to offer such services in an A ANASTASIA BEVERLY HILLS-branded salon in early 2010.

**INTERROGATORY NO. 11**

For each product and service requested to be identified in Interrogatory No. 7, explain the extent to which there has been any interruption to continuous use of the ANASTASIA BEVERLY HILLS mark to identify the product and services.

**RESPONSE TO INTERROGATORY NO. 11:**

OPPOSERS incorporate each of their General Objections as though fully stated herein. OPPOSERS continue to investigate the subject matter of this Interrogatory and reserve the right to modify, amend or supplement their response as additional information becomes available. Without waiving, and subject to their objections, OPPOSERS respond as follows:

OPPOSERS have discontinued production of ANASTASIA BEVERLY HILLS-branded foundation, bronzing products and bronzing liquid from in or about October 2009 to the present while the products are being reformulated for reintroduction in 2010.

OPPOSERS discontinued production of ANASTASIA BEVERLY HILLS-branded lipsticks for approximately one year in or about 2007 while the products were being reformulated.

OPPOSERS discontinued production of ANASTASIA BEVERLY HILLS-branded facial serum, eye gels and eye-area gels from in or about 2001 to in or about November 2006.

Sales of ANASTASIA BEVERLY HILLS-branded fragranced creams and lotions, body creams, body lotions, body moisturizers and hand creams were interrupted in 2005.

OPPOSERS have offered manicure services in an ANASTASIA BEVERLY HILLS-branded salon in the past and are planning to offer such services in an ANASTASIA BEVERLY HILLS-branded salon in early 2010.

**INTERROGATORY NO. 12**

For each product and service requested to be identified in Interrogatory No. 6, identify the persons most knowledgeable about the advertising and promotion of the product or service.

**RESPONSE TO INTERROGATORY NO. 12:**

OPPOSERS incorporate each of their General Objections as though fully stated herein. OPPOSERS further object that this Interrogatory, and in particular the terms "advertising" and "promotion," is vague and ambiguous. Anastasia further objects to the request on the ground that it is unduly burdensome and oppressive in that it seeks information that is neither relevant to the claim or defense of any party in this action nor reasonably calculated to lead to the discovery of admissible evidence. Without waiving, and subject to their objections, OPPOSERS respond as follows:

Anastasia Soare  
CEO  
Anastasia Beverly Hills, Inc.  
438 N. Bedford Dr.  
Beverly Hills, California 90210  
(310) 474-4300

# **EXHIBIT B**

3. I grew up in the Romanian seaport of Constanta, where I worked as an apprentice in my parents' tailor shop. I studied architecture, engineering,

drawing, and mathematics during college, and trained professionally as an Esthetician in Romania before moving with my family to California in 1989.

4. At the time I relocated to California, I had only a limited knowledge of English, and spoke with a strong accent. However, my skills as an aesthetician (and in particular those for eyebrow shaping and waxing) were recognized by others in my field, and after obtaining my license in 1990, I rapidly developed my own clientele.

5. I formed Opposer ASC on or about January 29, 1997, and its Beverly Hills skincare salon opened on Bedford Drive in Beverly Hills in July 1997. That salon has always provided a full range of cosmetic and skincare services including application of makeup, makeup lessons, facials, anti-aging treatments for the eyes and face, removal of unwanted hair (waxing) from the face and body, as well as my signature eyebrow shaping services.

6. From its inception, the clientele of our Beverly Hills salon was not limited to local residents, but has always included numerous visitors from out of state and from other countries, many of whom make appointments on a regular basis with me personally for my eyebrow shaping services. Over the years, our clientele has included celebrities such as Oprah, Madonna, Jennifer Lopez, Naomi Campbell, Jada Pinkett Smith, Lara Flynn Boyle, Melissa Etheridge, Penelope Cruz, Sharon Stone, and others.

7. My experience and continued interest in the science of aesthetics have enabled me to achieve a nationwide reputation as an expert in aesthetics, cosmetics and skin care. I have appeared on many nationally broadcast television shows such as Today, Oprah, Fox Business Channel, Extreme Makeover, Access Hollywood, Xtra, Entertainment Tonight. My story has been featured in the pages of top publications such as Wall Street Journal, Vogue, W, Town & Country, Elle, InStyle, Allure, Entertainment Weekly, Newsweek, People, Flaunt and Los Angeles Magazine.

8. At the time we opened our Beverly Hills salon in 1997, it was my intention to develop my own line of cosmetics, skincare, and "lifestyle" products which would be used in the salon and also sold at retail both in the salon and at selected retail outlets.

9. On or about February 24, 1999, with financial support from Mr Arnold Simon, I founded AAS (which later changed its name to ABH), with myself as President and Howard Barnaby of Robin, Blecker & Daley ("RB&D") as trademark counsel. We decided to adopt the distinctive phrase "ANASTASIA BEVERLY HILLS" as our house mark, and I retained Bird Designs to design a new logo.

10. By September 1999, we were actively working with various suppliers (including established makers of high-quality cosmetics and toiletries and associated packaging in New York, Italy, and Japan) to develop new skincare and cosmetics products for national distribution by Opposer ABH, to be labeled with the ANASTASIA BEVERLY HILLS name and logo.

11. At about that same time, I was engaged in planning for a remodel of our salon in which the signage of our salon was to be changed from simply "Anastasia" to "ANASTASIA Beverly Hills" (with the newly adopted logo), so that our existing clients and prospective customers would clearly identify a common source with a nationwide reputation for excellence for both our existing services and our future products.

#### **Prosecution of Registration No. 2821892**

12. On or about October 26, 1999, as President of AAS, I signed an intent-to-use trademark application bearing docket number B877-003 for the ANASTASIA BEVERLY HILLS word mark for goods in Classes 3, 4, 5, 8 and 21 (the "ABH Mark"). I understand that the application subsequently was filed in duplicate by RB&D on October 27, 1999 under serial number 75833289 (which I understand is now "DEAD"), and on October 28, 1999 under serial number 75833810 (the "ABH Application").

13. The ABH Application included a Declaration (the "1999 ABH Declaration") which stated that I believed AAS "to be entitled to use such mark in commerce" and that to the best of my knowledge and belief "no other firm, corporation or association has the right to use said mark in commerce, either in identical form or in such near resemblance thereto as to be likely, when used in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive."

14. The ABH Application listed a large number of "goods" and stated that "Applicant has a bona fide intention to use the mark in commerce in connection with the above-identified goods" and that the "mark will be used on labels and packaging for the goods."

15. The 1999 ABH Declaration did not itself make any explicit reference to any specific goods, and I did not conduct a careful review of the "goods" listed in the body of the application or have a clear understanding of what it means to "use the mark in commerce", other than to note that the listing of "goods" included all the product categories (including cosmetics and grooming tools, skin care products, and fragrance products) that I was planning to market under the brand name "Anastasia Beverly Hills."

16. On or about October 24, 2000 Debra L. Johnson ("DLJ"), whom I had previously retained as counsel for ABH, apparently requested an extension to respond to an April 24, 2000 office action. On February 5, 2001 a notice of abandonment of the ABH Application was apparently mailed to RB&D, based on failure to timely/completely respond to the April 24, 2000 office action.

17. Sometime subsequent to February 5, 2001, I retained Cislo and Thomas ("C&T") as our new trademark counsel. On or about March 29, 2001, C&T filed what I understood to be a complete response to the April 24, 2000 office action, as well as a Petition to Revive the ABH Application which was prepared by C&T and signed by myself on or about March 22, 2001. The Petition to Revive stated



that the failure to "timely/completely respond" by our prior counsel happened "apparently inadvertently," and that "Applicant" had only recently become aware of that abandonment.

18. On or about June 22, 2001, C&T filed an Amendment to Allege Use dated June 19, 2001 (the "2001 ABH Amendment"), and on or about September 9, 2002 a second Amendment to Allege Use dated September 4<sup>th</sup>, 2002 (the "2002 ABH Amendment"). The 2002 Amendment was subsequently "clarified" by a third Amendment to Allege Use filed on or about April 14, 2003 and dated April 10, 2003 (the "2003 ABH Clarification").

19. The 2001 ABH Amendment was prepared by C&T and I signed the Declaration, dated May 22, 2001 ("2001 ABH Declaration"), that appears on page 7 of the 2001 ABH Amendment. The 2001 ABH Declaration stated my belief that, among other things, ABH was the owner of the ANASTASIA BEVERLY HILLS word mark and that the mark "is now in use in commerce."

20. When signing the 2001 ABH Declaration, I did not realize that the 2001 ABH Amendment would be interpreted to mean that ABH was claiming that it was then using the mark in any particular way on any specific product other than would be apparent from the specific product specimens which I had provided to counsel: eyebrow highlighting pencils, eye liners, cosmetic wax, candles, cosmetics brushes, and tweezers (I now understand that the latter two specimens were not filed with the 2001 ABH Declaration, but were subsequently filed with the 2002 ABH Amendment).

21. It is my understanding that the ABH Application was published for Opposition on December 23, 2003, and issued on March 16, 2004 (the "ABH Registration"). Prior to the issuance of the ABH Registration, I mistakenly believed that any commercial use of the name "Anastasia Beverly Hills" constituted "use in commerce." In particular, I then believed that, as long as ABH sold or used the goods in the Anastasia Beverly Hills salon, which was clearly

identified with the ABH Mark, then ABH had used the ABH Mark "in commerce on or in connection with the goods."

**Prosecution of Registration No. 2798069**

22. On or about October 26, 1999, as President of AAS, I signed an intent-to-use application bearing docket number B877-002 for the A ANASTASIA BEVERLY HILLS (stylized) and Design mark for goods in Classes 3, 4, 5, 8 and 21 (the "AABH Mark"), which I understand was subsequently filed in duplicate by RB&D on October 27, 1999 under serial number 78833290 (the "AABH Application"), and on October 28, 1999 under serial number 75833809 (which I understand is now "DEAD").

23. The AABH Application included a Declaration (the "1999 AABH Declaration") which stated that I believed AAS "to be entitled to use such mark in commerce" and that to the best of my knowledge and belief "no other firm, corporation or association has the right to use said mark in commerce, either in identical form or in such near resemblance thereto as to be likely, when used in connection with the goods of such other person, to cause confusion. or to cause mistake, or to deceive."

24. The AABH Application listed a large number of "goods" and stated that "Applicant has a bona fide intention to use the mark in commerce in connection with the above-identified goods" and that the "mark will be used on labels and packaging for the goods."

25. The 1999 AABH Declaration did not itself make any explicit reference to any specific goods, and I did not conduct a careful review of the "goods" listed in the body of the AABH Application or have a clear understanding of what it meant to "use the mark in commerce," other than to note that the listing of "goods" included all the product categories (including cosmetics and grooming tools, skin care products, and fragrance products) that I was planning to market under the brand name "Anastasia Beverly Hills" and our newly adopted logo.

26. On or about October 24, 2000, DLJ apparently requested an extension to respond to an outstanding office action dated April 24, 2000. On or about February 5, 2001, a notice of abandonment of the AABH Application was apparently mailed to RB&D, based on failure to timely/completely respond to the April 24, 2000 office action.

27. On May 20, 2002, C&T apparently filed in the AABH Application a Petition to Revive the AABH Application which I had previously signed on or about October 23, 2001, together with an Amendment dated May 15, 2002.

28. The AABH Application was Published on March 11, 2003 and a Notice of Allowance was issued on June 3, 2003.

29. On or about August 5, 2003, C&T filed a Statement of Use of the A ANASTASIA BEVERLY HILLS & Design mark, which included a undated Declaration signed by me (the "2003 AABH Declaration") which stated that, among other things, ABH was the owner of the A ANASTASIA BEVERLY HILLS & Design mark and that ABH "has used the mark in commerce on or in connection with the goods specified in the Notice of Allowance."

30. Prior to signing the 2003 AABH Declaration, I did not review the Notice of Allowance and I did not realize that the Notice of Allowance covered goods other than what would be apparent from the product specimens which we had previously provided counsel, namely eyebrow highlighting pencils, eye liners, cosmetic wax, candles, cosmetics brushes, tweezers, exfoliating shower cream, body milk, exfoliating face scrub, hand cream, loose powder, brow powder, eye shadow, body bar soap, and mascara. In particular, I did not realize that the Notice of Allowance specifically included nail polish, nail base coat, and nail top coat; facial toners, facial astringents, facial masques, body toners, body astringents; fragranced bar body toners, and astringents.

31. Furthermore, I did not know that the Statement of Use would be interpreted to mean that ABH was claiming that it was using the mark on each of

those goods in interstate commerce, nor did I understand the legal meaning of "interstate commerce."

32. The AABH Application was apparently published for opposition on March 11, 2003, and issued on December 23, 2003 as Registration No. 1798069 (the "AABH Registration").

### **Basis for Proposed Amendments**

33. I now understand that in the context of trademark rights under US federal trademark law, "in commerce" refers to interstate commerce regulable by Congress, and that "use" means applying the mark to specific "goods" or "services" (or otherwise using the mark to identify the origin or sponsorship of those specific goods and services) in the normal course of trade in those goods or services.

34. In particular, I now understand that "use in commerce" encompasses goods bearing the ABH and AABH Marks that have been distributed by or for ABH to retail stores such as Nordstrom and Sephora which are located in more than one state, goods bearing those marks which are manufactured in one state and are then distributed by or for ABH into another state, goods bearing those marks which are shipped by or for ABH from a distribution center in one state to customers in another state or foreign country, and goods bearing those marks which are sold by or for ABH in one state to customers who transport those goods to other states or countries for use in those other states or countries.

35. It is also my present understanding that a registration based on use in the United States can cover only goods and services for which the mark was actually being used in commerce (as defined above) as of the date of registration.

36. Based on my present understanding of "use in commerce," I hereby confirm that, at least as early as August 5, 2003 (the filing date of the Statement of Use in the AABH Application), the ABH and AABH Marks were actually being

used in commerce, on the product specimens filed in the ABH Application and in the AABH Application. Specifically, at least as early as September 9, 2002 (the filing date of the 2002 ABH Amendment), the ABH and AABH marks were being used in commerce on eyebrow highlighting pencils, eye liners, depilatory wax, candles, cosmetics brushes, and tweezers (the specimens of use filed in the ABH Application) and at least as early as August 5, 2003 (the filing date of the Statement of Use in the AABH Application) on exfoliating shower cream, candles, body milk, exfoliating face scrub, hand cream, loose powder, brow powder, eye shadow, body bar soap, mascara, cosmetics brushes, and tweezers (the specimens of use filed in the AABH Application).

37. Based on my present understanding of "use in commerce" as set forth above, and based on my present understanding of the common trade usage of these terms in connection with cosmetics and skincare products and services, I hereby also confirm that, at least as early as August 5, 2003, the ABH and AABH marks were actually being used in commerce on the following generic goods listed in the ABH and AABH Registrations: foundation, concealer, pressed powder, loose powder, eye shadow base, blush, bronzing products/bronzing liquid, eye shadows, mascara, eyeliners, lip coverings, lipstick, lip gloss, lip liners, eyebrow color products/eyebrow color pencils, eyebrow pencils, eyebrow powder, eyebrow pomade, eyebrow gel; facial cleansers, facial cleansing bars, facial moisturizers, eye creams, eye gels, eye-area moisturizers, eye-area gels, eye area creams, facial serums, facial exfoliators, body cream, body lotion/body lotions, body powder, body moisturizers, and hand creams; body cleansing creams, and bar soaps; fragranced creams and lotions; candles; eyebrow tweezers and eyebrow grooming scissors; and cosmetic brushes.

38. I do not profess to be an expert on what constitutes normal trade usages and practices in the field of fragrances and perfumes; however, as of as August 5, 2003, I then believed in good faith and today still believe that the ABH and AABH marks were and are being used in commerce on the following generic

goods listed in the ABH and AABH Registrations: potpourri; perfume, eau de parfum, eau de toilette, eau de cologne; room fragrances.

39. Based upon my present understanding of "use in commerce," on the registration dates of the ABH and AABH marks, to the best of my knowledge and belief, the marks had not been used in commerce on the following generic goods listed in the registrations: nail polish, nail base coat, and nail top coat; facial toners, facial astringents, facial masques, body toners, body astringents; body cleansing gels; fragranced gels, bar body toners, and astringents.

40. Since it now appears that the ABH and AABH Registrations were improperly extended, without any deceptive intent, to cover certain goods on which the ABH and AABH marks had not actually been "used in commerce" as of the date of registration, I, as President of ABH, have instructed our current trademark counsel to seek to amend the registrations to delete such goods. Specifically, we wish to amend the registrations to delete the following goods: nail polish, nail base coat, and nail top coat; facial toners, facial astringents, facial masques, body toners, body astringents; body cleansing gels; fragranced gels, bar body toners, and astringents from the ABH and AABH Registrations.

41. We are not currently promoting for nationwide sale, and presently have no firm plans to do so in the future, the following generic categories of goods listed in the ABH and AABH Registrations: potpourri; facial cleansing bars, facial cleansers, facial exfoliators, body powder; body cleansing products, namely, creams, and bar soaps; perfume, eau de parfum, eau de toilette, eau de cologne; room fragrances; and candles. Although I do not have any reason to believe that these particular types of goods were not validly covered by the original ABH and AABH Registrations, I have instructed counsel to not include those particular goods in any extension or renewal of the ABH and AABH Registrations.

42. It has been recently brought to my attention that inconsistent and/or erroneous dates of first use were inadvertently made of record for the ABH and

AABH Registrations. Based on my present understanding of "use" and "use in commerce", I confirm that the ABH and AABH marks were first used in the Beverly Hills salon at least as early as March 2000 on at least some of the listed goods in classes 3, 8 and 21 (for example, on eyebrow pencils, tweezers and cosmetic brushes) and at least as early as December 2001 for class 4 (candles); we have documentary evidence that those marks were first used in commerce on at least some of the listed goods shipped in the normal course of trade to national accounts such as Nordstrom at least as early as August 2000 for classes 3 and 8 (for example, eyebrow pencils and tweezers), at least as early as October 2000 for class 21 (cosmetic brushes), and at least as early as August 2003 for class 4 (candles).

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

This Declaration is being executed in Beverly Hills, California on January 14, 2010.

/Anastasia Soare/  
Anastasia Soare

**EXHIBIT C**

**FILED UNDER SEAL**



**EXHIBIT D**

**FILED UNDER SEAL**

# **EXHIBIT E**

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

**ANASTASIA BEVERLY HILLS, INC.**  
**ANASTASIA SOARE**  
**ANASTASIA SKIN CARE, INC**

Opposers,

v.

**ANASTASIA MARIE LABORATORIES, INC.**

Applicant.

Opposition No. 91188736

**DECLARATION OF BREWSTER TAYLOR**

The undersigned, Brewster Taylor, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. § 1001, and that such willful false statements may jeopardize the validity of this document, declares as follows:

(1) I am a member of the firm of Stites & Harbison, PLLC, attorneys for Applicant in the above-identified proceeding;

(2) I was contacted by Applicant in connection with representing it in the proceeding in October, 2010, and filed a Power of Attorney with the Trademark Trial and Appeal Board on October 14, 2010;

(3) I began settlement discussions with counsel for Opposer on October 20, 2010, and, in view of continuing settlement discussions, including telephone discussions and written proposals, on December 21, 2010, Opposers filed, with Applicant's consent, a request for a sixty day extension of discovery and trial dates for the purpose of further settlement discussion;

(4) Settlement discussions concluded unsuccessfully in late February, and in a letter dated February 25, 2011, Applicant made requests in connection with certain responses provided to our predecessor firm in response to its discovery requests and related document production;

(5) I made good faith efforts to resolve discovery disputes with counsel for Opposers through letters, e-mails and telephone discussions from February through April of 2011, and filed a motion to compel on April 26, 2011;

(6) In its order of January 3, 2012, the Trademark Trial and Appeal Board ordered Opposers to provide further documents;

(7) Attached hereto as Exhibit 1 are copies of my e-mail correspondence with Opposers' counsel from February 8 through February 16 concerning the production of documents ordered by the Board, and attached hereto as Exhibit 2 are copies of my e-mail correspondence with Opposers' counsel from February 28 to March 1 concerning the production of documents ordered by the Board.

(8) All statements made on my own knowledge are true, and all statements made on information and belief are believed to be true.

**March 30, 2012**

  
Brewster Taylor

# EXHIBIT 1

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**From:** litovskya@gtlaw.com [mailto:litovskya@gtlaw.com]  
**Sent:** Thursday, February 16, 2012 3:49 AM  
**To:** Taylor, Brewster  
**Subject:** RE: ABH v. AML

Hi Taylor,

I apologize for the delayed response. With regard to your first question, my office has inadvertently produced to you electronic records that did not reflect bates stamps, but bates stamped records have been produced and you should receive them on Thursday. Regarding your second question, I have conveyed it to my client and expect to have an answer for you before the end of this week. I will follow up shortly.

Best regards,

Allan Z. Litovsky  
Greenberg Traurig, LLP | 3161 Michelson Drive | Suite 1000 | Irvine, CA 92612  
Tel 949.732.6519 | Fax 949.732.6501  
[litovskya@gtlaw.com](mailto:litovskya@gtlaw.com) | [www.gtlaw.com](http://www.gtlaw.com)

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**From:** Taylor, Brewster [mailto:btaylor@stites.com]  
**Sent:** Wednesday, February 15, 2012 10:33 AM  
**To:** Litovsky, Allan Z. (Shld-OC-LT)  
**Cc:** Taube, Mari-Elise ; Kirylo, Pat  
**Subject:** FW: ABH v. AML

Dear Alan:  
Further to my e-mails of February 8 and February 13, please advise today as to whether Anastasia Beverly Hills will be providing sales records showing sales by item for the years 2005-2010.  
Best Regards,  
Brewster

Brewster B. Taylor, *Member*  
Direct: (703) 837-3906, Cell: (703) 344-4510  
Fax: (703) 518-2936, [btaylor@stites.com](mailto:btaylor@stites.com)

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3/16/2012

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**From:** Taylor, Brewster  
**Sent:** Monday, February 13, 2012 5:51 PM  
**To:** 'litovskya@gtlaw.com'  
**Cc:** Taube, Mari-Elise ; Kirylo, Pat  
**Subject:** ABH v. AML

Dear Alan:  
Further to my e-mail below, please let me know when you expect to be able to get back to me.  
With best regards,  
Brewster

Brewster B. Taylor, *Member*  
*Direct: (703) 837-3906, Cell: (703) 344-4510*  
*Fax: (703) 518-2936, [btaylor@stites.com](mailto:btaylor@stites.com)*

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**From:** Taylor, Brewster  
**Sent:** Wednesday, February 08, 2012 4:34 PM  
**To:** 'litovskya@gtlaw.com'  
**Cc:** Taube, Mari-Elise ; Kirylo, Pat  
**Subject:** ABH v. AML

Dear Alan:  
We have today received the further document production pursuant to the Board's order. I have a couple of questions. First, why were these documents not Bates-numbered? Second, in connection with the Board's order to produce "records to show annual sales by item [for ABH-branded products], in round numbers, for the years 2005-2010", we have received the same type of documents which were produced before and which were described by ABH's counsel as documents which show shipments from the warehouse of ABH-branded products. Doesn't ABH have documents which show the annual sales by item of ABH-branded products for the years 2005-2010? ABH's counsel stated that from 2005 to the present ABH has kept detailed computerized records of its sales using Fishbowl software.  
I look forward to hearing from you.  
Best Regards,  
Brewster

Brewster B. Taylor, *Member*  
*Direct: (703) 837-3906, Cell: (703) 344-4510*  
*Fax: (703) 518-2936, [btaylor@stites.com](mailto:btaylor@stites.com)*

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3/16/2012



## EXHIBIT 2

**Taylor, Brewster**

**From:** Taylor, Brewster  
**Sent:** Thursday, March 01, 2012 11:48 AM  
**To:** 'litovskya@gtlaw.com'  
**Cc:** 'hussey@gtlaw.com'; Taube, Mari-Elise  
**Subject:** RE: ABH v. AML

Dear Allan:

As you know, the claims of rights of Anastasia Beverly Hills have been changing throughout this proceeding, and although Anastasia Beverly Hills deleted most of the products from its registrations, we still do not have an even remotely clear picture of sales of products under the "ANASTASIA BEVERLY HILLS" mark either from 2001-2004 or 2005-2010.

I would appreciate it if you would clarify in writing exactly what is shown by the documents produced for 2001-2004 and what is shown by the documents that have been produced for 2005-2010. Our understanding is that most of the products which were sold over the years in the Anastasia Beverly Hills salons and in the Anastasia operations at Nordstroms and Sephora were products sold under other brands. We have no documents which show sales only of products branded with the "ANASTASIA BEVERLY HILLS" mark ("ABH-branded products") or from which we can interpret the actual extent of sales of such products.

We do not know how Anastasia Beverly Hills has been able to make any representations with respect to sales of ABH-branded products if those representations are based on the documents which we have seen, though we know that Anastasia Beverly Hills originally interpreted sales of products under the mark as including all sales of products in the "ANASTASIA BEVERLY HILLS" salons.

As you know, we received only a few new documents following the Board's order, and nothing new either to show sales of ABH-branded products from 2001-2004 or 2005-2010.

Again, rather than discussing these issues over the phone, I would appreciate your providing a written response.

Best Regards,

Brewster

Brewster B. Taylor, Member  
 Direct: (703) 837-3906, Cell: (703) 344-4510  
 Fax: (703) 518-2936, [btaylor@stites.com](mailto:btaylor@stites.com)

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**From:** litovskya@gtlaw.com [mailto:litovskya@gtlaw.com]  
**Sent:** Wednesday, February 29, 2012 1:11 AM  
**To:** Taylor, Brewster  
**Cc:** hussey@gtlaw.com  
**Subject:** RE: ABH v. AML

3/16/2012

Dear Brewster,

Let's connect on the phone tomorrow to discuss what additional documents we may be able to provide.

Best regards,

Allan

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**From:** Taylor, Brewster [mailto:btaylor@stites.com]  
**Sent:** Tuesday, February 28, 2012 2:52 PM  
**To:** Litovsky, Allan Z. (Shld-OC-LT)  
**Cc:** Hussey, Channing (Secy-OC-LT)  
**Subject:** RE: ABH v. AML

Dear Allan:

Thank you for your e-mail. It is disappointing, but I hope to be able to make a proposal soon along the lines which we have discussed. In the meantime, have you heard anything further in connection with the questions I raised in my e-mail of February 8?

Best Regards,

Brewster

Brewster B. Taylor, Member  
Direct: (703) 837-3906, Cell: (703) 344-4510  
Fax: (703) 518-2936, [btaylor@stites.com](mailto:btaylor@stites.com)

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**From:** litovskya@gtlaw.com [mailto:litovskya@gtlaw.com]  
**Sent:** Monday, February 27, 2012 4:43 PM  
**To:** Taylor, Brewster  
**Cc:** husseyc@gtlaw.com  
**Subject:** RE: ABH v. AML

Dear Brewster,

I just had a chance to speak with Anastasia Soare. Unfortunately, she instructed me not to agree to additional discovery time and to move forward with this case to a resolution as quickly as possible. Please call me if you'd like to discuss this further or if you have any additional information with regard to a potential settlement discussion - we are still open and interested in discussing a business resolution to all disputes.

3/16/2012